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PUBLIC SERVICE
COMMISSION

Elizabeth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602-0615

**Louisville Gas and
Electric Company**
State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232
www.eon-us.com

October 25, 2007

Robert M. Conroy
Manager - Rates
T 502-627-3324
F 502-627-3213
robert.conroy@eon-us.com

**RE: AN EXAMINATION OF THE APPLICATION OF THE
FUEL ADJUSTMENT CLAUSE OF LOUISVILLE GAS
AND ELECTRIC COMPANY FROM NOVEMBER 1, 2006
THROUGH APRIL 30, 2007 - CASE NO. 2007-00279**

Dear Ms. O'Donnell:

Enclosed please find an original and ten (10) copies of the Response of Louisville Gas and Electric Company to Information Requested during the Hearing on October 11, 2007.

Please contact me if you have any questions concerning this filing.

Sincerely,

Robert M. Conroy

Enclosures

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

**AN EXAMINATION OF THE APPLICATION)
OF THE FUEL ADJUSTMENT CLAUSE)
OF LOUISVILLE GAS AND ELECTRIC) CASE NO. 2007-00279
COMPANY FROM NOVEMBER 1, 2006)
THROUGH APRIL 30, 2007)**

**RESPONSE OF
LOUISVILLE GAS AND ELECTRIC COMPANY
TO
INFORMATION REQUESTED IN HEARING
DATED OCTOBER 11, 2007**

FILED: October 25, 2007

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Information Requested in Hearing Dated October 11, 2007

Case No. 2007-00279

Question No. 1

Witness: Mike Dotson

Q-1. Refer to LG&E's Attachment to Question No. 6 of LG&E's Response to Information Requested in Appendix A of the Commission's Order dated August 3, 2007, page 4 of 15. Please explain how the shortfall of deliveries in 2005 and 2006 are being made up by the vendor.

A-1. The shortfall tonnage from Charolais Coal Contract LGE05011 was incorporated into a new Contract with Charolais Coal J07003 (refer to LG&E's Attachment to Question No. 6 of LG&E's Response to Information Requested in Appendix A of the Commission's Order dated August 3, 2007, page 5 of 15). The shortfall tonnage under Contract LGE05011 was approximately 600,000 tons, which was spread at the rate of 200,000 tons per year over a three year period. The averaging of the old Contract LGE05011 and new Contract J07003 is outlined below:

Contract LGE 05011	
Tonnage: 1,000,000 per year for year 2005 and 2006	
For a total tonnage of	2,000,000
Tons delivered on LGE05011	1,412,929
Remaining tonnage	587,071
Agreed to round remaining tonnage to	600,000
Contract LGE05011 Price per ton	\$29.61

Contract LGE05011 remaining tonnage and price transferred
To new Charolais Coal Contract J07003

Price for Charolais Coal Contract J07003 calculated as follows:

2007	200,000 tons 2006 carryover	\$29.61
	400,000 tons new base price	\$33.50
	600,000 tons 2007 average price	\$32.20

2008	200,000 tons 2006 carryover	\$29.61
	500,000 tons new base price	\$34.00
	700,000 tons 2008 average price	\$32.75
2009	200,000 tons 2006 carryover	\$29.61
	1,000,000 tons new base price	\$35.00
	1,200,000 tons 2009 average price	\$34.10
2010	1,000,000 tons new base price	\$36.10

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Information Requested in Hearing Dated October 11, 2007

Case No. 2007-00279

Question No. 2

Witness: Mike Dotson

- Q-2. Please provide a copy of the Weir International, Inc. review/report referenced in LG&E's Response to Information Requested in Appendix A of the Commission's Order dated August 3, 2007, Question No. 10.
- A-2. Weir International is working on a draft report at this time. We will provide a copy of the report, under petition for confidential treatment, within ten business days of receiving the final report.